

**Annual List of Rule-Making Activity**  
**Rules Adopted January 1, 2014 to December 31, 2014**  
*Prepared by the Secretary of State, pursuant to 5 MRSA, §8053-A, sub-§5*

**Agency name:** Department of Administrative and Financial Services, **Bureau of Revenue Services**  
**Umbrella-Unit:** **18-125**  
**Statutory authority:** 36 MRSA §2013  
**Chapter number/title:** **Ch. 323**, Commercial Agricultural Production, Commercial Aquacultural Production, Commercial Fishing and Commercial Wood Harvesting  
**Filing number:** **2014-014**  
**Effective date:** 2/4/2014  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

Maine Revenue Services is amending Rule 323. This is routine annual rule-making.

**Basis statement:**

The rule has been in place for many years; it addresses the issuance of sales tax refunds and certificates of exemption to persons who are engaged in commercial agricultural production, commercial aquacultural production and commercial fishing. The rule now needs to be updated in order to reflect recent changes to the controlling statute, Title 36 §2013, which will apply to commercial wood harvesting and to commercial nurseries and greenhouses as of July 1, 2013.

**Fiscal impact of rule:**

N/A

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**Agency name:** Department of Administrative and Financial Services, **Bureau of Revenue Services**  
**Umbrella-Unit:** **18-125**  
**Statutory authority:** 36 MRSA §576  
**Chapter number/title:** **Ch. 202**, Tree Growth Tax Law Valuations - 2014  
**Filing number:** **2014-048**  
**Effective date:** 3/25/2014  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

There is a statutory requirement that each year the State Tax Assessor determine the 100% valuation for an acre of forestland, according to forest type (softwood, mixed wood or hardwood) by economic region for parcels classified under the *Tree Growth Law*. The State Tax Assessor must certify his determination and transmit rules to the municipal assessors of each municipality with forestland therein on or before April 1, of each year.

**Basis statement:**

Maine Revenue Services repeals and replaces Rule 202. This is routine annual rule-making. Title 36 §576 requires the State Tax Assessor to annually determine 100% valuations per acre for each forest type by economic region for parcels under the *Tree Growth Tax Law*. The updated rule will be applicable to the 2014 tax year.

This rule incorporates current stumpage values into conventional and prevalent algorithms to determine the valuation of forestland by a classification and value averaging system that estimates the worth of forestland used for wood production excluding incremental value attributable to development potential.

**Fiscal impact of rule:**

Annual establishment of valuations produces no additional cost to the State. The FY 2014-15 amount appropriated to reimburse anticipated municipal claims for "taxes lost" due to the use of Tree Growth Valuations on classified forestland is approximately \$7,250,000.

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**Agency name:** Department of Administrative and Financial Services, **Bureau of Alcoholic Beverages and Lottery Operations / Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 28-A MRSA §§ 83-A, 606 sub-§4-A

**Chapter number/title:** **Ch. 2**, Pricing of Spirits

**Filing number:** **2014-203**

**Effective date:** 8/30/2014

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

These amended rules update the process for the pricing of spirits and establishes the discount rate the State sells spirits to agency liquor stores.

**Basis statement:**

This amendment updates the existing rules governing the pricing of spirits. This amendment updates definitions to align language with Title 28-A and current spirits business practices; aligns the functional business process of spirits pricing with these rules; adds new price points for spirits products under 375 milliliters; changes discount rates for agency liquor stores from 9%, 10% and 12% to 12% and 14% based on retail prices and adds a growth incentive plan for agency liquor stores for the overall growth of the spirits business.

**Fiscal impact of rule:**

The amendment increases to the discount rate (profit margin) on spirits products sold to agency liquor stores.

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**Bureau of Alcoholic Beverages and Lottery Operations /**  
**Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRSA §§ 374, 372 sub-§2

**Chapter number/title:** **Ch. 20**, Powerball Rules

**Filing number:** **2014-204**

**Effective date:** 8/30/2014

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

To conform the procedures for the operation of the multi-jurisdictional lottery game Powerball in Maine as required by the Multi State Lottery Association. This rule will allow Maine to continue to sell the Powerball game.

**Basis statement:**

This amendment updates the existing rules governing the draw jackpot game Powerball for the Power Play option of the game. This amendment adds back the random multiplier for Power Play of 2, 3, 4 and 5 times the base prize amount for Power Play. In order to sell Powerball tickets in Maine, the Maine State Liquor and Lottery Commission must adopt uniform provisions of these rules for Powerball as required by Multi State Lottery Association and its selling agreement with Maine. The Multi-State Lottery Association is the governing body for the Powerball game.

**Fiscal impact of rule:**

There is no known fiscal impact.

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**Bureau of Alcoholic Beverages and Lottery Operations /**  
**Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRSA §§ 374, 372 sub-§2

**Chapter number/title:** **Ch. 30**, Hot Lotto Rules

**Filing number:** **2014-205**

**Effective date:** 8/30/2014

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

To conform the procedures for the operation of the multi-jurisdictional lottery game Hot Lotto in Maine as required by the Multi State Lottery Association. This rule will allow Maine to continue to sell the Hot Lotto game.

**Basis statement:**

This amendment updates the existing rules governing the draw jackpot game Hot Lotto. The amendment to the rules is necessary because of financial technical game changes to Hot Lotto as determined by the Multi-State Lottery Association. In order to sell Hot Lotto tickets in Maine, the Maine State Liquor and Lottery Commission must adopt uniform provisions for the major components of the rules for Hot Lotto as required by Multi State Lottery Association and its selling agreement with Maine. The Multi-State Lottery Association is the governing body for the Hot Lotto game. The amendment makes other non-substantive changes consistent with MUSL rules.

**Fiscal impact of rule:**

There is no known fiscal impact.

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**Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRSA §§ 374, 372 sub-§2

**Chapter number/title:** **Ch. 50**, Lucky for Life Game Rules

**Filing number:** **2014-206**

**Effective date:** 8/30/2014

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

To conform the procedures for the operation of the multi-jurisdictional lottery game Lucky for Life as required by the New England Lucky for Life legal agreement. This rule will allow Maine to continue to sell the Lucky for Life game.

**Basis statement:**

This amendment updates the existing rules governing the draw game Lucky for Life. The amendment to the rules is necessary because of major games changes to Lucky for Life as determined by the Lucky for Life Regional Game Agreement including a change to matrix to be 5 of 43 and 1 of 43; changing the odds for the Top Prize to 1:41,391,714; changing the overall odds to win a prize to 1:8.607; improving the second tier prize for a Match 5+0 to \$25,000.00 per year for life; and providing a Cash Option for the top and second tier prizes. The Maine State Liquor and Lottery Commission must adopt uniform provisions and Maine specific provisions for the major components of the rules for Lucky for Life as required by the Lucky for Life Regional Game Agreement. The signatories of the Lucky for Life Regional Game Agreement are the governing body for the Lucky for Life game.

**Fiscal impact of rule:**

There is no known fiscal impact.

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**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRSA §§ 374, 372 sub-§2 ¶1

**Chapter number/title:** **Ch. 60**, Monopoly Millionaires' Club Rules

**Filing number:** **2014-260**

**Effective date:** 10/21/2014

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

To conform the procedures for the operation of the multi-jurisdictional lottery game Monopoly Millionaires' Club in Maine as required by the Multi-State Lottery Association. This rule will allow Maine to sell the Monopoly Millionaires' Club game.

**Basis statement:**

This new rule governs the Multi-State Lottery Association's (MUSL) draw game Monopoly Millionaires' Club ("MMC"). MMC is a national game to be sold in over 22 lotteries in the US. MMC costs \$5.00 per single play bet; has a double game matrix of 5 of 52 and 1 of 28 MONOPOLY game board property selected as an EZ Pick; has overall odds of winning a prize of 1 in 10.0025; has odds of winning the top prize of 1 in 72,770,880; has a top prize starting at \$15,000,000 rolling to \$25,000,000 and has a Match 5+0 second prize of \$100,000. This game will be drawn on Fridays.

MMC has a television game show feature. Players may become eligible for the television show studio audience member selection by registering a MONOPOLY Millionaires' Club ticket or tickets with one or more qualifying properties according to the requirements of these Rules and as indicated by the Lottery that sold the ticket(s). Every player holding tickets qualifying to participate in the studio audience selection process according to the rules announced by the Maine Lottery ("player") who is selected by the Maine Lottery to participate as a member of a studio audience for an episode of the TV Show, and who is actually present in the studio audience, shall be eligible to be selected from the audience to participate as an on-stage participant in a game or games to be conducted on the TV Show.

MUSL requires selling lotteries has specific game rules in place for the conduct of the game. The Maine State Liquor and Lottery Commission must adopt uniform provisions and Maine specific provisions for the major components of the rules for MMC as required by MUSL. MUSL is the governing body for the MMC game.

**Fiscal impact of rule:**

There is no known fiscal impact.

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**Agency name:** Department of Administrative and Financial Services, **Maine Board of Tax Appeals**  
**Umbrella-Unit:** **18-674**  
**Statutory authority:** 36 MRSA §151-D(10)  
**Chapter number/title:** **Ch. 100**, Maine Board of Tax Appeals Practice and Procedure  
**Filing number:** **2014-062**  
**Effective date:** 5/1/2014  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

To comply with recent legislative changes contained in P.L. 2013, c. 45 and P.L. 2013 c. 331, which primarily concern when taxpayers may appeal to the Board and who may represent taxpayers before the Board. The Board is also proposing several changes to its procedures based on its experience in recent appeals and in response to suggestions received from parties that have appeared before the Board.

**Basis statement:**

The Board is amending Ch. 100 of its rules in order to comply with recent legislative changes contained in P.L. 2013, c. 45 and P.L. 2013 c. 331, which: (1) lower the threshold amount of tax, penalties and interest that must be at issue in order to appeal to the Board from \$5,000 to \$1,000; (2) allow persons other than attorneys to represent taxpayers before the Board; and (3) give taxpayers 20 days from the date they file their appeal with the Board to request an appeals conference.

Based on the Board's experiences thus far and in response to suggestions from parties that have appeared before the Board, the proposed amendments to Ch. 100 also: (1) change the current process for submitting documents, which calls for simultaneous submissions from the parties, to one that uses a staggered set of submissions (with page limits), whereby taxpayers submit their arguments first and Maine Revenue Services submits an answer; (2) explain what information the Board will consider in an appeal; (3) create a detailed process for requesting a subpoena from an Appeals Officer; (4) increase both the amount of notice given to parties of Board meetings and the number of days prior to Board meetings by which parties must submit statements of position and requests to address the Board; and (5) formalize the procedure for parties to orally address the Board. Finally, the proposed amendments include a number of suggestions by the Appeals Office staff for clarifying the existing rules, correcting minor errors and making the rules more uniform in their format and terminology.

Finally, when it met on 13 January 2014 to approve the amendments described above, the Board approved two additional amendments to those rules. The first is to eliminate the existing language concerning the refund of fee paid for an appeals conference in the event that the relevant appeal is withdrawn before the conference is held. The second is to clarify that: (1) when a party to an appeal requests that the Board Chair be recused, the Chair must designate another Board member who will determine whether or not the request shall be granted; but (2) the Chair may also recuse himself or herself from an appeal whenever the Chair believes that such recusal is appropriate.

**Fiscal impact of rule:**

The implementation of this rule is expected to have no fiscal impact.